# GOVERNMENT OF INDIA
# HEALTH AND FAMILY WELFARE
# LOK SABHA

UNSTARRED QUESTION NO:4089
ANSWERED ON:09.12.2016
Business of Drugs
Chandel Kunwar Pushpendra Singh

**Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:**

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether the Government has taken cognizance in regard to charging excessive profit from the business of various drugs including life saving drugs;

(b) if so, the effective steps taken by the Government to rationalise the said profits; and

(c) the efforts being made by the Government to check the manufacturing and supply of spurious drugs?

## Answer

ANSWER
THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND
FAMILY WELFARE
(SMT. ANUPRIYA PATEL)

(a) & (b): The ceiling prices of essential medicines included in Schedule I of Drug (Prices Control) Order, 2013 (DPCO) are fixed after taking into account the average of Price to Retailer (PTR) of all brands of all scheduled formulations having a market share of more than 1%. Thereafter, retailer margin of 16% is added for the purpose of determining the ceiling price. In case of non-scheduled formulations, the MRP cannot be increased by more than 10% of the MRP during the preceding 12 month period. Whenever companies are found selling medicines at prices higher than the mandated prices, action is taken against them under the provisions of DPCO 2013.

(c): The Government is committed to ensuring that the quality, safety and efficacy of drugs are not compromised. With this in view, the Government has taken a series of measures. These include:
I. stringent penalties including making certain offences cognizable and non-bailable;

II. establishment of special designated Courts for trial of offences under the Drugs and Cosmetics Act for speedy disposal of cases;

III. announcement of a Whistle Blower Scheme to encourage vigilant public participation for detection of movement of spurious drugs in the country;

IV. issuance of guidelines to the State Drugs Controllers for taking action on samples of drugs declared spurious, adulterated, misbranded or 'not of standard quality';

V. instructions to the concerned staff to keep a vigil and draw samples of drugs for test and analysis for monitoring the quality of drugs moving in the country;

VI. increase in the number of posts in the Central Drugs Standards Control Organization (CDSCO);

VII. re-equipping of drug testing laboratories with state-of-art equipment;

VIII. large scale nation-wide survey to determine the 'not of standard quality' drugs;

IX. conducting workshops and training programmes for skill enhancement in areas such as Good Manufacturing Practices (GMP), Good Laboratory Practices (GLP), Good Distribution Practices (GDP), Good Clinical Practices (GCP) and Good Storage and Distribution Practices (GSP) to regulators and industry in partnership with other Departments, industry and regulators of other countries including USA and European Union.

X. Conducting training programmes for laboratory personnel of State and Central laboratories to upgrade their analytical capabilities and skill sets.

XI. risk based inspections of manufacturing fac